

PROPERTY OF
PRINCETON UNIVERSITY
RECEIVED FEB 3 1934

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



VOLUME III, NUMBER 21

WASHINGTON, D. C.

FEBRUARY 7, 1934

Tension Is Growing Over Saar Question

People in Area Must Vote Next Year to Decide for or Against Re-union with Germany

ACCUSE NAZIS OF BROWBEATING

League Attempting to Insure Fair Election but Difficulties Increase

A grave situation is rapidly developing in Europe with regard to the Saar basin, one of the territories which was detached from Germany after the war. Next year the inhabitants of that region must decide by popular vote whether they wish to be annexed to Germany, France, or whether they wish to continue under the jurisdiction of the League of Nations, the status which they have enjoyed since the war.

As the time set for the plebiscite approaches, tension increases visibly between France and Germany. The Germans are accused of terrorizing the residents of the Saar, of browbeating them into voting for union with Germany. In turn, the French are charged with attempting to turn the tide of sentiment against Germany. The League of Nations is trying to pacify all elements of discord, and to prepare for an honest, unbiased vote. The difficulties of this task, in view of the aggravated state of affairs, are apparent. It is entirely possible that violence in one form or another will break out either before, during, or after the plebiscite.

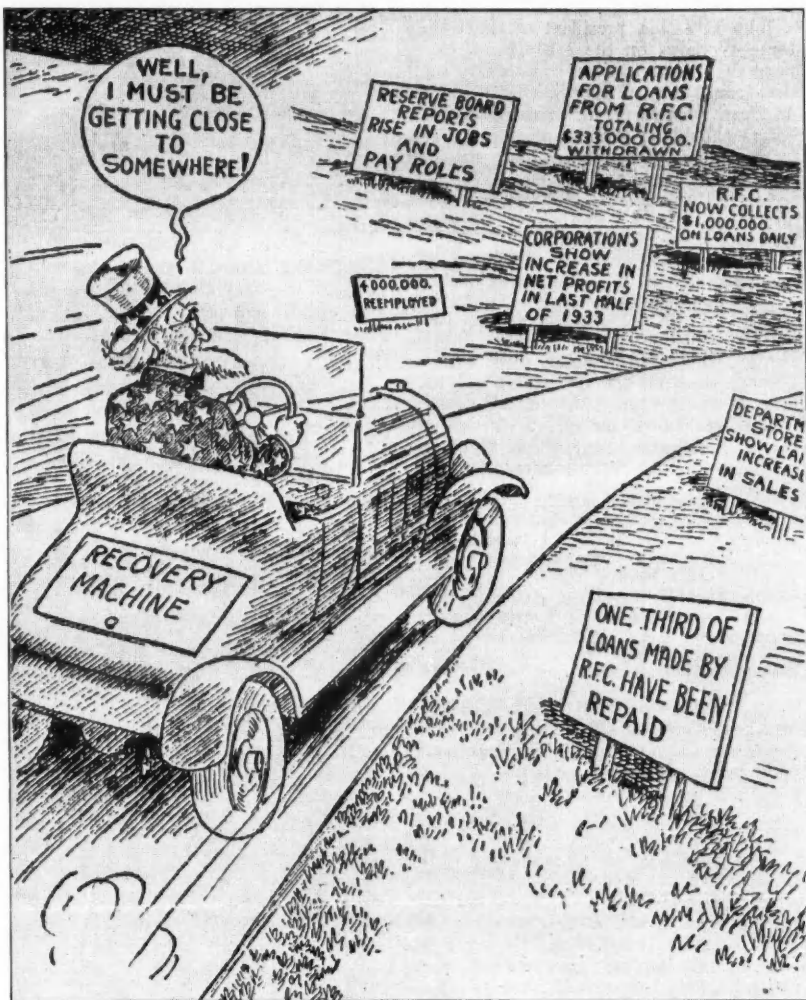
Importance of Saar

The Saar is a territory of 737 square miles—a little over half the size of Rhode Island—situated between France and Germany just below Luxembourg (see map, page 6). There are approximately 770,000 inhabitants, the great majority of whom are German. The importance of the district, however, bears no relation to its size or to its strategic location. It is because of its resources that it has become such a great bone of contention. In the Saar basin are located some of the richest coal deposits of Europe. Over 10,000,000 tons of coal are mined annually, and the total reserve is estimated at 17,000,000,000 tons. In addition, coke, pig iron and steel are included among the products of the region. This is why Germany wants to regain the Saar as soon as possible.

The problem of the Saar was one of the most difficult which faced the peace conference after the war. France demanded compensation for the damage which the Germans had done to her coal mines in the north. She asked that the Saar be ceded to her outright to make up for her loss. But this was the only argument on which the French could base their claim to the Saar. There were no geographical or racial reasons for the direct annexation of that territory. On the contrary, the residents of the Saar were so clearly alien to the French that the majority of delegates were unwilling that the French should have outright possession of the region. Accordingly, a compromise was worked out.

It was decided to give the French full ownership of all the mines of the Saar, to do with as they wished. The district, however, was to be governed by the League of Nations for a period of fifteen years.

(Concluded on page 6)



THE SIGNS INCREASE

—Harper in Birmingham AGE-HERALD

Brighter Days for the Studious

The president of Harvard University, James Bryant Conant, in his first annual report, recommends a plan for the encouragement of scholarship, not only in Harvard University, but throughout the nation. His idea is that from ten to fifteen per cent of each freshman class in Harvard should be made up of young men selected from all over the country on the basis of scholarship and promise. These young men, the best of the graduates of high schools, would be given fellowships amounting perhaps to \$1200 a year in addition to certain other privileges. "We should be able to say that any man with remarkable talents may obtain his education at Harvard, whether he be rich or penniless, whether he come from Boston or San Francisco," declares President Conant. "This is an ideal toward which we must work."

This Harvard idea is significant because of the influence it will have if the plan which has been suggested is carried into effect. The other universities will not permit Harvard to skim the cream from the high schools of the nation and draw to itself all the most brilliant and promising of the high school graduates. If Harvard, or any other great university, sets the pace and establishes the principle that scholars, and not athletes, shall be favored, others will fall into line. They will be compelled to do so, because any university which draws to itself the finest minds of the nation, will far surpass those who do not select students on the basis of mental equipment. It will surpass them in achievement and in reputation. It is reasonable to expect then, that the years to come will see increased attention on the part of the colleges to the bright and industrious and ambitious young men and women of the country.

If the colleges and universities select their students and grant their scholarships and fellowships on the basis of scholarship and personality, then the high schools will give greater attention to these qualities and these attainments. So it is not unlikely that in the years to come the young people in all the schools, from the highest to the lowest, will be encouraged to be more studious, more many-sided in their development, more uncompromising in the determination to acquire those traits of character and personality which inspire friendship and confidence. It will no longer be regarded as "smart" to be indolent or superficial or crafty in evading the responsibilities of school life. Students will always have their pleasures, their diversions, their fun, but a fair share of their enjoyments will be those which come from intellectual achievement and from the exercise of sharpened wits.

Sharp Issue Raised Over CWA Program

Administration Prepared to Liquidate Emergency Agency Between Now and May 1

CHARGES OF GRAFT DISCUSSED

President Empowers Ickes to Investigate Reports of Corruption

Scandal has crept into two of the main recovery agencies. Reports of graft, political favoritism, chiseling and other dishonest practices in the Civil Works Administration and the Public Works Administration have recently been made public by government officials in Washington. Harry L. Hopkins, head of the Civil Works Administration, has announced that approximately \$100,000 has been misused in connection with the administration of the CWA program, upon which more than 4,000,000 American families are today dependent for their livelihood.

Charges of Graft

But Mr. Hopkins, fully supported by President Roosevelt, has lost no time in taking the bull by the horns. He has begun a war on the graft reported in the CWA organizations of all but three states of the Union. Moreover, the president has clothed Secretary of the Interior Harold L. Ickes, in charge of the PWA, with full authority to take whatever action he deems necessary to eradicate this evil from the government's recovery agencies. The Investigation Division of the PWA has been increased by almost a hundred members in an attempt to handle all the complaints of graft and dishonesty. The men will conduct investigations in every section of the country from which complaints have come. The Department of Justice is likewise working on the case. Frances Perkins, the secretary of labor, has ordered an investigation of the activities of the government's employment agencies throughout the nation, where, it is contended, jobs have been handed out only to friends and political supporters of those in charge. Within a few hours after the war had begun, a number of arrests of people connected with the CWA were made.

Deplorable and regrettable as these conditions are, it is a significant fact that the administration in Washington is facing the problem squarely and is dealing summarily with it. It has often occurred in the past, when graft or dishonest practices have prevailed in the carrying out of governmental programs, that action has been delayed until it was too late to correct the damage done. As a general rule, investigations have been slow and ineffective in dealing with the situation at hand. In many instances, nothing has been done until a new administration has come into office. Rarely has the initiative been taken by heads of the administration in power. But the Roosevelt administration has not hesitated frankly to admit that corruption exists in parts of the program which it has sponsored, and has set into motion the machinery necessary to remove the evil.

It would be impossible concretely to enumerate all the charges laid at the door of the local CWA and PWA organizations. In the main, they fall in two groups, the

(Concluded on page 7)

Notes From the News

Norris and Borah Attack Lobbyists; Scandal at Welfare Island; Secret Societies Abandoned at Swarthmore; CWA Bridge Class

A PRACTICE which is very common in Washington is that of "lobbying" for a bill. Special groups or interests desiring certain legislation to be passed employ representatives in Washington. These men, who are called lobbyists because they do most of their work in the lobbies of the Capitol, get acquainted with as many Congressmen as possible and try to urge them to vote in favor of the legislation. That their efforts are not always in vain is indicated by the fact that at every session of Congress there are always quite a number of these men at work. Oftentimes they conduct themselves in such a secret manner that it is not generally known that they are lobbyists.

Senator Norris of Nebraska and Senator Borah of Idaho, both Progressive Republicans, think that all the secrecy connected with lobbying should be removed. They are planning to ask Congress to pass a bill requiring every lobbyist to register his name at the Capitol, and telling what company he works for and what salary he is paid.

Vanishing Multimillionaires

Figures just announced by the Bureau of Internal Revenue show that 1933 was undoubtedly the worst year of the depression, at least as far as incomes are concerned. The number of multimillionaires dropped sharply from 1929 to 1932. In 1929 there were thirty-eight incomes of more than five million dollars; three years later there were none. More than 500 incomes of a million dollars or more were reported at the height of boom times; in 1932 there were only twenty such incomes reported.

Prison De Luxe

An amazing revelation was made a short time ago as the result of a raid on the Welfare Island prison in New York City. It was found that two gang leaders, with their henchmen, had been living lives of ease and luxury. They had almost complete control over the prison. So powerful were the gangsters and so strong, it is said, were their political connections that the keepers of the prison were at their mercy. The two sets of gangs had the other prisoners under their "thumbs." They forced these prisoners to wait on them hand and foot, to be their valets. They maintained flocks of homing pigeons to bring narcotics from the outside world. They had radio sets, rugs, canes, glass-topped tables and electric stoves, silk shirts, costly dressing gowns and expensive cigars. In short, they made the prison their headquarters to carry on their liquor traffic and other illegal acts.

The prison officials who allowed such a state of affairs to exist were summarily dismissed after the raid. Mayor La Guardia, with whose approval the raid was made, characterized the conditions found as "a typical illustration of what this city government has inherited from its predecessors." It was pointed out that E. R. Cass, general secretary of the Prison Association of New York, told Mayor O'Brien last August about the gang rule which prevailed in the city penitentiary on Welfare Island. Mr. O'Brien, however, took no action.

CWA Bridge Class

Harry S. Hopkins, civil works administrator, was surprised to learn that a bridge class had been started as a CWA project in Northport, Long Island. On hearing of it, however, he readily approved the project.

"That's a good one!" he said. "I hadn't heard of it; but, then, I wouldn't. That would be up to the state administrator. And if it is all right with him it is with me."

Mr. Hopkins went on to say that the good things of this life, including contract bridge, should be made available to all as well as the "privileged few."

Machines and Unemployment

The perplexing question of technological unemployment (machines replacing man labor) was recently brought into the open at the international convention of United Mine Workers. Miners, whose rugged

faces denoted the type of manual work in which they were engaged, argued with tense emotion and at great length that mechanical loading devices were driving thousands of coal miners into bread lines.

John L. Lewis, president of the United Mine Workers, on the other hand, called upon the miners to accept machinery since they could not turn back the wheels of progress. However, he insisted that laborers should be given shorter hours and increased compensation as their share of the benefits of the machine. "We must see to it that we get our fair share of the advantages of genius and invention," Lewis declared.

Voting From His "Larynx"

Whether politicians consistently carry out the will of their constituents in voting for legislation or whether they vote as they think best, thereby trying to mold opinion among their constituents, depends a great deal upon how far off election day is. The following conversation which was overheard in the Senate lobby illustrates the point at hand:

Mr. X: "How did you vote on that bill?"

Senator from the West: "I voted 'aye'."

Mr. X: "Do you mean to tell me you voted for that terrible legislation?"

Senator: "My friend, I'm up for reelection this year. I vote from my larynx; not from my heart."

Swarthmore Abolishes Sororities

The women students at Swarthmore College have voted to abolish sororities. For the last year and a half sorority activities have been suspended, while the students have been trying to decide whether secret societies were desirable. They have decided in the negative.

During the trial period, according to the president of the college, school activities were conducted in a more democratic manner than at any other time during his dozen years at Swarthmore. He says:

"Emphasis is placed on events at which all undergraduates are welcome; social affairs are more frequent and less formal. Collection Hall is constantly used for informal gatherings after dinner, for dances and games, for exhibitions and teas, organized by the undergraduates themselves. The result is a veritable transformation of the spirit of the college."

How different, he says, are these "free, democratic, unified social affairs" from "the depressing effect upon the morale of the undergraduates of fraternity domination of social life."

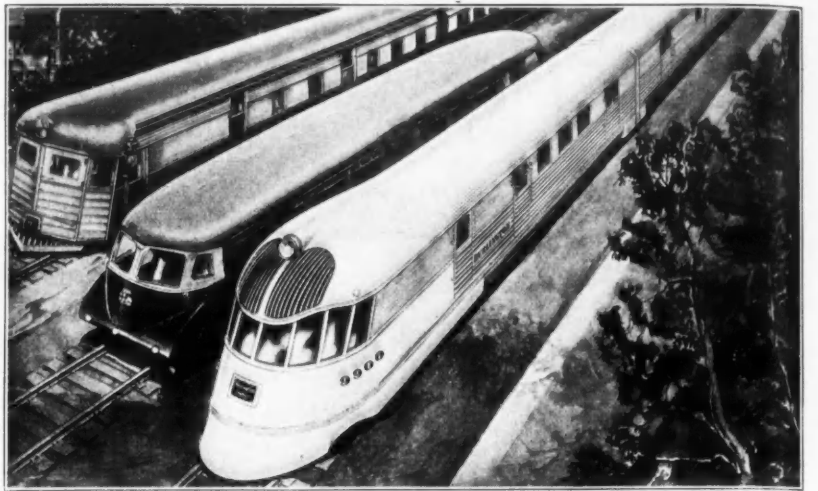
International Air Race

Plans are steadily getting under way for the international air race from England to Melbourne, Australia, scheduled to start next October 20. A first prize of £10,000 (about \$50,000 at the present rate of exchange) has already been offered. Other money prizes will also be awarded.

International prestige will play an important role in this race, for it is figured that the country winning the race will gain considerable publicity for its airplane products and thus increase its foreign sales of these products.

A Correction

An error occurred in the January 24 number of THE AMERICAN OBSERVER. Reference was made in a note on the Library of Congress to "John Adams' second administration." The mistake resulted from proofroom negligence. In the copy which we sent to the press our statement read "The library was established by Congress in 1800 during John Adams' administration—the second administration of the national government." When the material was being set up it was necessary to cut a line or two in order to make the material fit the page. This is a common occurrence, as all those who have had experience in setting up printed material know. The cut was made in such a way as to change the intent of the writer—a thing which was, of course, a careless accident. We are sorry that the error was not noted in the reading of proof.



© Acme

New Streamliners

So swiftly is motorization coming to the railways that already a revolution in equipment is taking place. The train at the left of the picture is the Texas and Pacific two-car train. It is now running between Fort Worth and Texarkana, Texas, a distance of 249 miles. It has two twelve-cylinder motors which burn gasoline.

In the center is Britain's first streamlined motor car, soon to be introduced by the Great Western Railway. (The Britisher is of unique design, resembling a huge sea-plane float.) It is driven by a single 130-horsepower motor, which burns heavy oil.

The train at the right is a new photo-sketch of the Burlington Zephyr. It is hailed as the last word in motorization because of its full aero-dynamic lines. It is capable of a maximum speed of two miles a minute.



© Acme

Huey Loses Ground

These are bad times for political machines with questionable reputations. Voters, whose tax bills have been increased by inefficient and wasteful government, are losing patience with political "bosses" and "dictators." The latest evidence of a crumbling political machine was produced a short time ago when Senator Huey P. Long's candidate for mayor of New Orleans was unexpectedly defeated. The defeat came as a surprise because Huey Long, the fiery-eyed, arm-flinging senator from Louisiana, has maintained what might be termed a political dictatorship in his state. Members of his machine dominate most of the important political offices in Louisiana.



© Ewing Galloway

Is London the World's Largest City?

Which is the world's largest city—London or New York? The 1931 census, which is the latest available, shows London with a population of 8,202,818, while the 1932 census of New York City revealed a population of 6,918,915.

It is somewhat difficult, however, to compare London and New York because considered as civic or political organizations they are quite unlike. What is known officially as the "City of London," is a small area in the heart of London having a population of only 10,999 in 1931. "Greater London," which has a population of 8,202,818, politically considered, is not an organized city. It has no central or unified government and possesses none of the powers usually conferred upon an incorporated city. Therefore, it seems fair to say that New York, which is a political unit, is the largest city in the world.

AROUND THE WORLD

France: While thousands of exasperated Frenchmen were rioting around the Place de l'Opera in Paris, the cabinet of Camille Chautemps resigned on January 27 and France was plunged into its most severe political crisis in years. The resignation came as the result of the now famous Stavisky scandal, in which Alexander Stavisky, by gaining control of a municipal pawnshop in Bayonne managed to steal 200,000,000 francs from French citizens. When the fraud was discovered a number of persons connected with the government appeared to be implicated. The Chamber of Deputies, however, continued to support the ministry and it was only when the outraged public began to create serious disturbances that M. Chautemps decided to resign.

Most of the rioting was caused by the Royalists who took the occasion to demand a change in the French form of government. While they would like a return of the monarchy, which is obviously impossible, it does seem that many French people would welcome the arrival of a strong man to head the government. A general cry has arisen for a new leader. But no new and acceptable leader has appeared upon the scene and President Lebrun has again turned to Edouard Daladier, Radical-Socialist, who headed the ministry from January to October last year. If M. Daladier cannot succeed in forming a cabinet it may be that new elections will be held.

U. S. S. R.: The gambling instinct is not dead in the Soviet Union and the authorities in Moscow are well aware of it. On January 1 lottery tickets were placed on sale all over the union for the purpose of

raising \$5,000,000 in government revenue. The money will be used for the purpose of training half a million Soviet citizens to resist gas attacks during war time and 150,000 others to act as snipers in the same emergency.

Canada: Easy money for a nice \$100,000,000 public works program may be sought by the Canadian parliament which is now in session. According to reports it is a matter which can easily be handled. When the World Economic Conference met in Londop last summer it was declared that a government did not need to back its paper currency by more than twenty-five per cent gold. Canada has forty per cent. The plan, therefore, is to reduce the gold coverage by fifteen per cent, and to use the rest for a new issue of currency to pay for the public works.

Cuba: Havana's thoughts have turned from revolution to sugar as the new government of Carlos Mendieta is settling down to work. Recognition by the Roosevelt administration has given stability to the island's political situation, and now the next step is to improve economic conditions which have sunk to low state. Cuba hopes for, and has all but been promised, a new trade agreement with the United States under the terms of which this country will grant more favorable treatment to island sugar producers. Unless something like this is done it is probable that strikes and labor agitation will continue in Cuba and Mendieta in the end may have to give way to a more radical successor. The labor problem is a serious

one in Cuba and radical sentiment is strong among the workers. For a time it was feared that the island might turn to communism.

Germany: The Hitler government has not given up the idea of dominating the church in Germany. Some time ago the German Protestant churches were brought into one general federation, and Ludwig Müller, personal representative of Adolf Hitler, was named Reichbishop. Bishop Müller's appointment met with strong opposition from many of the clergy who desired that the churches should be allowed to select their own head. Further opposition developed, particularly in southern Germany, when Bishop Müller appeared to sympathize with a radical group among the Hitlerites who wanted, among other things, to make anti-Semitism part of German church policy. The upshot of this was an open revolt participated in by 7,000 Protestant pastors. Bishop Müller was obliged to retreat. He has come forward again now and proclaimed a spiritual dictatorship over all the churches in Prussia where opposition is not so strong as in the south.

Poland: A treaty having important implications was signed between Poland and Germany on January 26. The two nations have agreed to keep the peace for a period of ten years and to settle their disputes through direct negotiations with one another. They further declare that other obligations which have been previously undertaken, such as Poland's military alliance with France, offer no obstacle to

peaceful relations between them. This appears to mean that if trouble breaks out in western Europe, say over Austria, Germany will not have to fear additional trouble from Poland. On the other hand Poland need no longer worry lest Germany attempt to take back the Corridor.

The signing of this treaty has been hailed as a major diplomatic achievement for Hitler. He may now devote his undivided attention to such foreign problems as Austria, Danzig and the Saar, with the knowledge that for a number of years his eastern frontiers will be safe. It is not thought that Hitler has given up all hope of regaining the Polish Corridor, but it is evident that he is willing to postpone the settlement of that issue for some time. Just how the pact will affect Poland's relations with France is not clear. French Foreign Minister Paul-Boncour hailed the pact as a step toward peace and stated that previous treaties remained in force. The feeling prevails, however, that Germany has driven a wedge between France and Poland and that the French are being deprived of an important ally.

Mexico: Ever since President Roosevelt took action to increase the price of silver, things have been looking up in Mexico which is one of the most important silver-producing nations. Mexicans now find that it is profitable to operate their mines which have remained stagnant for a number of years owing to the low price of the white metal. But now business is booming again in many towns and it is possible that President Roosevelt, instead of lifting one country out of a depression, will lift two.

SERBS, CROATS AND SLOVENES

It is difficult to speak of Yugoslavia as a whole, because that, precisely, is just what it is not. This southern European country presents the most baffling mixture of race, language, custom, belief and geography imaginable. Here are Serbs, Croats, Macedonian Slavs, Magyars, Slovenes, Albanians, Moslem Serbs, Rumanians, Germans and others who almost defy classification. Here are Mohammedans, Roman Catholics and Greek Orthodox. And here are high mountains and deep valleys with varying agricultural and pastoral communities.

But while it is always necessary to bear these contrasting elements in mind when discussing Yugoslavia, we may simplify our problem by noting that the country is mainly divided among three principal groups. Serbs, Croats and Slovenes comprise about eighty-five per cent of the total population. It is possible to distinguish a certain unity among these Slavic peoples despite their differences of race, language and religion.

The kingdom of Yugoslavia (the word means South Slav) was formed after the war by the union of Serbia and Montenegro, to which were added the former Austro-Hungarian provinces of Slovenia, Croatia, Dalmatia and Bosnia. The population now is estimated to be 13,500,000 and the country corresponds in size to the state of Oregon.

Seen through the eyes of the tourist Yugoslavia is one of the most romantic and picturesque spots of Europe. Stretching alongside the deep blue Adriatic, its hills and valleys gracefully blending under the lazy sunshine of southern Europe, the country presents the aspect of stage scenery come to life. Peasant towns hundreds upon hundreds of years old seem to grow out of the soil as part of its natural pro-

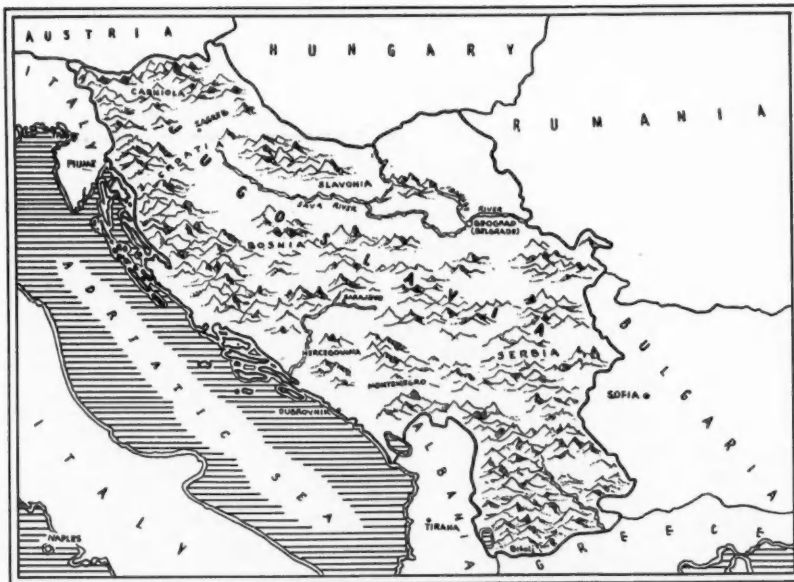
duce rather than as something rudely imposed upon it. People often occupy the same sturdy homes which their ancestors built from four to six centuries ago. The peasants themselves may be seen wearing colorful, elaborate costumes which they have fashioned with their own hands. In certain sections there is a distinct oriental tinge, the mark left by the Turks who once controlled part of present-day Yugoslavia. The people are simple, almost primitive in their customs and beliefs. Village life is from time to time brightened by ornate celebrations in which singing, feasting and the observance of age-old superstitions play an important part.

But, unfortunately, all this is only the surface view of Yugoslavia. If one takes the trouble to look a little more deeply it is apparent that the peasant's life is not the gay, untroubled existence it may at first glance appear to be. The most abject poverty, now greatly intensified by the depression, is in widespread evidence. It is tragically hard for a large family to wring existence out of a small piece of land. The percentage of illiteracy is high, and deep-seated ignorance accounts for suffering and disease which might be prevented. The women's costumes, which are so bright and attractive, sometimes weigh from thirty to sixty pounds. It is the

women, in fact, who frequently bear the brunt of the many burdens incidental to providing for a family.

On top of these difficulties which visit the homes of the peasants, are grave national problems. There is the constant fear of invasion by the Italians who are anxious to become complete masters of the whole Adriatic region. Mussolini does not like the thought of a strong Yugoslavia on the other side of the sea. War between the two nations has long been predicted and any future European struggle is certain to involve trouble from that quarter.

Domestically, a great many people in Yugoslavia are dissatisfied with their government. They are under the iron rule of King Alexander I, Europe's only remaining absolute monarch. Alexander tore up the constitution in 1929 and has since then enforced a rigid dictatorship. Millions of peasants writhe under this grim leadership and deepening currents of revolt are apparent. Alexander is accused of imprisoning and torturing his political enemies and generally of being unsympathetic to the needs of the peasant. This view, of course, is not universally held. Prior to 1929, parliamentary government was tried and proved a failure. The country was nearing a sadly disorganized state and it was necessary to take some decisive action. Alexander moved promptly and may have rendered the nation a genuine service. Still, most of the peasants do not seem to think so. They feel that they are being ground down under the heel of a tyrant. But they do not lose heart. They have been used to hardship for centuries. They go on singing the songs of their fathers, waiting patiently for some tomorrow which, they hope, will release them from bondage.



—Drawn for THE AMERICAN OBSERVER
JUGOSLAVIA

The AMERICAN OBSERVER

A Weekly Review of Social Thought and Action



Published weekly throughout the year (except two issues in December) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$3 a calendar year. In clubs for class use, \$1 per school year or 50 cents per semester. Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD HAROLD G. MOULTON
GEORGE S. COUNTS DAVID S. MUZZEY
WALTER E. MYER, Editor

VOL. III WEDNESDAY, FEBRUARY 7, 1934 NO. 21

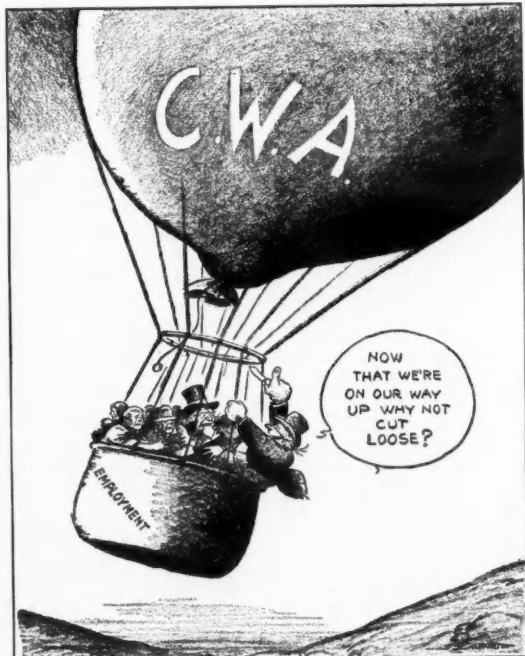
TO CURB SPECULATION

A committee headed by Assistant Secretary of Commerce John Dickinson has been studying the operations of stock exchanges—those organized markets where shares of ownership in the corporations of the nation are bought and sold. This committee has made its report, which has been submitted to the Banking and Currency Committees of the Senate and the House of Representatives. The report recommends the regulation of the practices of these stock exchanges by the federal government. Perhaps these recommendations may be enacted into law during the present session of Congress, but probably action will not come so soon. The Senate Banking and Currency Committee has been carrying on an investigation of its own—an investigation of the practices of great financial institutions—and legislation regarding the stock exchanges may be deferred until the studies being conducted by the Senate committee have been completed. But whether or not there is immediate action, some of the facts upon which the stock exchange committee bases its recommendations deserve public attention.

Nearly all large business firms are organized as corporations. They are owned, not by a few persons, but by many. The larger of these corporations have their stock, or shares of ownership, listed in the stock exchanges and these shares may be bought and sold in small quantities by anyone who has money to invest. It seems necessary that some such arrangement as this should be made in order that business firms wishing to expand may have a way of securing the money by selling shares of ownership to would-be investors. It seems desirable that markets should be established whereby those having money to invest may be able to put their money into corporation stock.

The trouble is that many people—millions, in fact—use the stock exchanges not merely to acquire ownership in corporations as investments, but as a device for gambling. They buy shares, not to hold, but to sell as soon as prices advance. Because millions of people speculate daily in the stock of the great industries of the nation, the prices of these shares of ownership fluctuate from day to day. Sometimes stock prices go very much higher than the real value of the stock justifies. This happens when people generally are optimistic and when everyone is buying stock "for the rise." Then, after a while, there comes about a general feeling that stock prices are too high and owners of stock throw it on the market and prices fall.

If this fluctuation of stock prices affected only those



—Talbot in WASHINGTON NEWS

WHAT A QUESTION?

who buy stock, it would not be so bad, but it affects the state of business throughout the nation. When stock prices fall, there is general discouragement. There are apprehensions of a decline in business. People restrict their buying and business is actually hurt. The crash of the stock market in the fall of 1929 had much to do with the decline of the nation into depression, and the stock crash last July was a serious blow to public confidence. True investors, as well as speculators, are also hurt by market fluctuations. A man may buy shares in a corporation as an investment, intending to hold these shares, just as he holds any of the rest of his property. When the price of the stock goes down, the total value of his property, of course, declines. Savings banks and insurance companies have part of their funds invested in stock. When the value of stocks declines greatly these savings banks and insurance companies may be seriously hurt. Some of them may even fail, causing all depositors great loss.

It is desirable, therefore, that the stock exchanges should be regulated. Practices of wealthy speculators, or groups of speculators—practices which force prices quickly up or down—should be discouraged. It should be harder than it is now for one to buy stock on borrowed money. Other things may be done to discourage speculation, and yet it is very hard to curb practices which result in large part from the gambling spirit of millions of people. The problem is a very serious one and it is apparent that the Roosevelt administration plans to go deeply into it.

Republicans to Republicans

The old saying is that it is news when a man bites a dog. In the same sense, it is news when the strongest Republican journal of opinion in the United States, the New York *Herald-Tribune*, uses the following strong words to denounce the policies of Republican senators:

When 31 Republican Senators last June finally chose a political attack upon the President's pension reforms as the great rock upon which to base their opposition, the episode was not generally held to have reflected credit upon either their patriotism or their sagacity. But when 20 of these Senators now emerge from a party conference with nothing better to offer the nation than this same transparent political stratagem of mobilizing the pension lobbies, it can hardly be regarded as anything but a proof of the utter bankruptcy of present Republican leadership in the Senate.

At a moment when every hour is crowded with broad national problems of the first importance and urgency, the only course upon which the Senate Republicans can agree is to support Senator Reed in his scheme of calling up the "soldier vote" by offering to wreck the whole structure of pension reform—certainly one of the really salutary achievements of the Roosevelt administration. If the cause were good, the Senator's statesmanship would still be less than impressive. But it is not good. It is not even candid.

Senator Reed, who recently put himself on public record as believing that the Government "owes nothing" to those who came out of the war "without disability," justifies his present support of the veteran lobby's demands on the curious ground that the Legion is asking so much less this year than it has in the past. Yet Senator Reed must know, as everyone knows who has looked twice at it, that the Legion's "four-point program" is not drawn so as to confine its benefits to those who came disabled out of the war.

A Mighty Age

Oswald Spengler, the great German philosopher and author of a profound book which reviews Western civilization in a pessimistic light (*The Decline of the West*) has begun again to write about the modern world as he sees it. In an article recently printed in *The American Mercury*, he reveals that his pessimism remains, though perhaps in adulterated form. Here is a quotation from his article:

We live in a mighty age. It is the greatest that Western civilization has ever known or will know. It corresponds to the classical age from Cannae to Actium, to the age illuminated by the names of Hannibal, Scipio and Gracchus, Marius, Sulla and Caesar.

The World War was but the first flash and crash from the fateful thundercloud which is passing over this century. As then, at the commencement of the Imperium Romanum, so today the form of the world is being remolded from its foundations, regardless of the desire and intentions of "the majority" or of the number of victims demanded by every such decision.

But who understands this? Who is facing it? Does one of us consider himself lucky to be there to see it? The age is mighty, but all the more diminutive are the people in it. They can no longer bear tragedy, either on the stage or in real life. They crave happy endings of insipid novels, so miserable and weary are they. But the destiny which pitched them into these decades now takes them by the collar and does with them what has to be done, whether they will or no. The coward's security of 1900 is at an end.

Optimism

The magazine *Business Week* represents the views of many business men. Generally speaking, it is a liberal business weekly, avoiding the die-hard conservative views of some industrial publications. The paragraphs below are part of its comment on the monetary program and the results we may expect from it:

We never shared the darker misgivings as to the course the administration would follow in monetary policy, and for that reason were somewhat impatient of business men who lay back in harness because of their fears. But we readily concede that, so long as that psychology pervaded the business world, it was a most formidable obstacle to recovery.



MORE HIGH FINANCE

—Brown in N. Y. HERALD-TRIBUNE

And so we venture the prediction that progress will be more rapid from this time forward. Wall Street, say the worst you will of it, is shrewd in its appraisal of such matters, and the way the financial markets reacted is highly significant.

A major uncertainty has been removed. There is obvious relief. Business will proceed with new courage. Dr. O. M. W. Sprague is perfectly correct in his insistence that monetary measures alone cannot work out recovery. But they can help—and they are not working alone.

The force of vast governmental expenditures is beginning to exert its power. Public works money is really just starting to flow. To farmers, in public works, in direct relief, in loans and subsidies of one kind and another, the Government will expend huge sums in 1934. The quickening effects of this restoration of purchasing power will make business this year. The rest of the world is sharing in and helping the upturn.

Business men who fail to plan accordingly will, we believe, get left behind.

What About Busses and Trucks?

If railroads are regulated by the government, why shouldn't their competitors, the bus and truck lines, be subject to the same restraint? The Brooklyn *Daily Eagle* believes in such control, according to the editorial below:

There is nothing sudden or ill considered about the bill to place busses and trucks engaged in commerce across state lines under the jurisdiction of the Interstate Commerce Commission. A similar bill, but affecting passenger vehicles only, was passed by the House of Representatives last year. It died in the Senate. To frame a measure affecting one class of gasoline-driven carriers while ignoring another was a mistake.

The present bill is the result of two years of investigation during which successive Congresses have, through committees, examined into the growth of motor vehicle transport of passengers and freight. The railroads have long complained that they have been subject to regulation by the Interstate Commerce Commission while fleets of busses and trucks carrying on interstate business use the public highways and escape all Federal supervision. There will be further hearings in both House and Senate committees before the bill comes up for discussion and action.

Since the administration is behind the bill, it will very likely pass in the end. Those who object to it will find it difficult to make a case against Federal regulation of one class of land carriers while no one proposes withdrawing Federal regulation from an older and larger class. In competition with each other for interstate business, the two classes should be subject to an equal measure of control.

It is generally accepted in Washington that the populace did not rally to Al Smith's attack on the New Deal. You can't make the dollar unpopular with the hungry masses by calling it boloney. —*The New Yorker*

The optimist is now counting the days to spring and the pessimist is counting the days to income tax time. —*Albany News*

Now what we need is a deposit insurance law that will insure our having a bank deposit. —*Philadelphia Bulletin*

All I do is preside in the Senate and vote when there's a tie—and when is there going to be a tie? —*Vice-President John Garner*

The only guarantee we have of peace in the world is a massed world-wide opinion, an aroused public opinion teaching men and women to agree that war must not exist. —*Senator David I. Walsh*

Money is a funny thing. You can't get a sixty-cent dollar for sixty cents. —*Toledo Blade*

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.

Jugoslavia

"The Native's Return," by Louis Adamic. New York: Harpers. \$2.75.

IT was more than a year ago that Louis Adamic, accompanied by his wife, went to Europe on a Guggenheim fellowship. He returned to the land of his birth—now a part of Yugoslavia—which he had not seen for nineteen years. During his visit, Mr. Adamic wrote a number of articles on his experiences which appeared in various American magazines and which attracted widespread interest. Now, he has given a complete account of his ten-month visit to Yugoslavia and published it in book form.

We believe that this book will be extremely popular among American readers. The country about which Mr. Adamic is writing (see page 3) is relatively unknown to the people of the United States. There is a certain glamour and romance about the inhabitants of Carniola, where Mr. Adamic's family lives, which enable us to forget for a moment the cares and troubles that have befallen so many of us during the last few years. And, Mr. Adamic writes so simply and so colorfully that one cannot but be impressed by his work.

The essential difference between this book and the ordinary book on foreign countries is that Mr. Adamic presents no cut and dried discussion of the political and economic problems of the country and no arid description of the geography and customs. It is a book of personal experiences and the people who fill the pages are real, living human beings. When one finishes the book, one has a lasting picture of the Kingdom of the Serbs, Croats and Slovenes.

Any Mother

"The Mother," by Pearl S. Buck. New York: The John Day Company. \$2.50.

MRS. BUCK has done more, perhaps, than any writer of recent times to interpret the mind and civilization of the Chinese to American readers. Her "Good Earth" was a Pulitzer prize winner in 1931 and her later works on contemporary Chinese life have all enjoyed wide popularity. It is hardly necessary, therefore, to introduce the author of "The Mother" to American readers.

In this work, Mrs. Buck follows the same technique employed so successfully in her previous books. The great strength of her writing lies in its absolute simplicity. Her words ever fit the moods of her characters. Thus she is able to transform ordinary individuals and ordinary circum-

stances into drama of unusual intensity.

The scope of "The Mother" is somewhat more limited than that of Mrs. Buck's previous novels. She does not attempt to survey and bring into play so many elements of the contemporary Chinese scene. But, on the other hand, its appeal is more universal for her subject is not confined to China. The principal character of her novel, who remains unnamed throughout the entire story, is a universal figure and people of all countries will recognize in this mother elements which are basic to all womanhood and motherhood.

While it is in this portrayal of character that Pearl Buck excels, it should not be thought that her novel is devoid of plot. The incidents which fill the life of this mother are sufficiently variegated to make a well-rounded story capable of holding the reader's attention to the end.

On Martin Luther

"Martin Luther: Germany's Angry Man," by Abram Lipsky. New York: Stokes. \$3.

MARTIN LUTHER is one of those rare, enigmatic figures whose life and work have greatly altered the course of world history. An understanding of the great forces that were at work early in the sixteenth century when western civilization was entering a period of transition depends in no small way upon an appreciation of the work of Luther. This new work on the great reformer is extremely useful to the gaining of that understanding, for it attempts to appraise him not solely from his external achievements but from his spiritual and mental make-up. Mr. Lipsky's work is essentially a psychological study of Martin Luther.

There is much about Martin Luther that remains incomprehensible to the modern mind. Much of this mystery is cleared up by this author. He explains quite clearly, for example, how Luther could be so fervent in his defense of religious dogma and at the same time so detached from the problems of social justice, dramatically emphasized by Luther's failure to support the peasants in their revolt against the tyranny of the feudal lords.

Mr. Lipsky quite properly devotes a good part of his book to a discussion of Luther's mysticism, to an explanation of the mystic union of the individual with God, the doctrine of justification by faith which formed the bulwark of Luther's religious philosophy. While all this appears rather difficult and complicated to one who is not versed in the tenets of Lutheran theology, Mr. Lipsky does succeed in pre-

senting in a clear and understandable manner the essential points. It is to the author's credit that he has maintained throughout his work a completely unbiased and impartial attitude.

A War Diary

"The Paris Front" by Michel Corday. New York: Dutton. \$5.

HERE is a war diary which, while its scene of action is "the Paris front," miles from the lines of actual physical combat, yet reveals the spirit of war in all its evil manifestations. For what small impression of nobility and courage there is in modern warfare displays itself in the front lines. The stupidity, cruelty, callousness and hate which saturate the minds of men in the heat of battle are multiplied a hundred times over in the civilian population, among the women, the high officials of government, the old men, and the propagandists.

At least that is what Michel Corday's book tells us. And surely it is an authentic record of the World War as seen by the man behind the man behind the gun. Corday at the time of the war was an official in the French civil service, beyond fighting age. He knew intimately most of the statesmen, politicians, and literary figures of Paris. Almost daily in his diary the brutality of the war psychology is revealed by some sardonic anecdote, a piece of popular gossip, or a tragic incident which could take place only in the terrible stress of wartime. Some of it is humorous, but the humor leaves a bitter taste. Most of it deals with humanity, but a humanity twisted and warped by prejudice and hatred.

✱ ✱

"To contrast the insurmountable tests and standards we presented to President Grau and the ready recognition we accord to Colonel Mendieta is to disclose the inconsistency, the absurdity, and the personal bias which have characterized our Cuban policy." Thus speaks *The Nation* editorially in demanding a New Deal for Cuba. After criticizing sharply the activities of Sumner Welles, until recently our ambassador to Cuba, the editorial suggests that henceforth we should recognize governments actually in control whether our ambassador or minister approves of them or not. As further measures, it is suggested that we should scrap the Platt Amendment which gives the United States certain rights in Cuba; that we should negotiate tariff agreements with Cuba granting concessions on sugar; and that we should cooperate with the Cuban government in improving general economic conditions.

✱ ✱

In an article entitled "Radio Needs a Revolution" which appears in the February *Forum*, Eddie Dowling, the popular figure of the theatrical world, decries the way in which the radio industry has been allowed to develop in this country. He demands that the electric combines which control the industry be broken and that the whole industry



—Courtesy Red Star Line

CHINA—THE TEMPLES OF PEIPING

be rigidly regulated by the government. The industry maintains one of the most effective lobbies in Washington, according to Mr. Dowling, and bends all its efforts to maintaining the present set-up, which the author called a state of "legal chaos."

✱ ✱

W. Somerset Maugham, one of the most popular of present-day fiction writers, has announced that he will write no more about the Orient. His latest work, "Ah King," was laid in the Far East and concludes his work in that particular field. At the present time, he is in southern France brushing up on the life and literature of Spain in the sixteenth century in preparation for the writing of another book.

✱ ✱

An interesting incident is related in Charles Phillips' life of Paderewski, recently published by the Macmillan Company. In March, 1892, according to Mr. Phillips, two students of Leland Stanford University, who were working their way through college, decided to do something big for themselves, their school and the town. They invited Paderewski to give a recital at San Jose. The terms arranged guaranteed a fee of \$2,000 to the pianist.

An unforeseen circumstance kept the box-office receipts down to \$1,600. Deeply agitated, the boys asked Paderewski if he would accept their promissory note for the shortage. He refused. "Go out and pay off your rental and other local expenses and come back," Paderewski said. When they returned he made them deduct twenty per cent from their gross receipts. "Now," he said, "that is your share. I shall take the remainder."

Paderewski, though he received only about half of the amount guaranteed him, had had his fun. And he won a friend who one day was to prove his gratitude. Herbert Hoover was one of the students who had sponsored the concert. Twenty-five years later Hoover helped Paderewski save the people of Poland from starvation.

✱ ✱

The new novel by Vicki Baum, author of "Grand Hotel," which is called "Falling Star" and which Doubleday, Doran, will publish next week, is the first one she has written since she has made her home in America. It deals with that part of America which she knows best, Hollywood, and the huge industry of making romance wholesale. She doesn't find it a crazy world of haphazard coincidences and misdirected energies but a tremendous, fascinating factory, working at top speed, a business to which all personal fortunes, loves, hates, pains, misfortunes, even death itself, must be subordinated.



A SCENE IN CARNIOLA, JUGOSLAVIA
(Illustration from "The Native's Return")

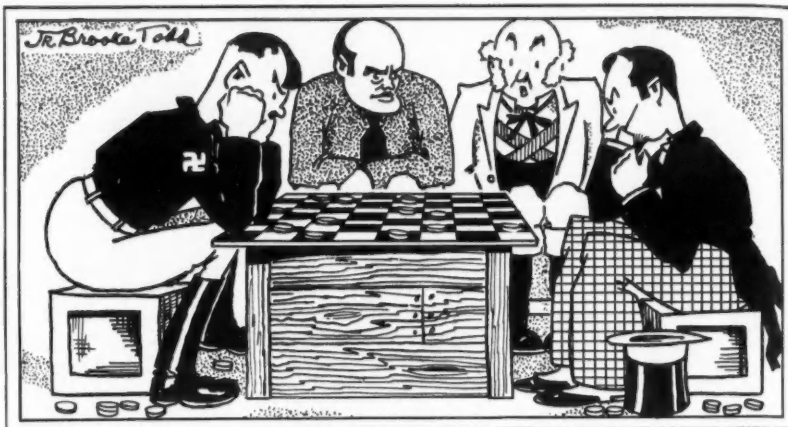
THE SAAR AND EUROPEAN POLITICS

(Concluded from page 1, column 1)



—Drawn for THE AMERICAN OBSERVER

MAP OF THE SAAR BASIN



—By TODD

WHOSE MOVE IS IT?

At the end of that time a plebiscite was to be held and the Saar residents permitted to decide their own future. They might elect to join either with France or Germany or remain under the League. If they should choose to return to Germany, the Germans would be allowed to purchase back the mines at a price to be fixed by a special commission. Meanwhile, the value of the coal and other products taken out of the basin each year, was to be deducted from the amount of reparations, or war damages, which Germany was required to pay France.

Beyond this the French were given certain privileges. The Saar was included within the customs boundary of France, and French money was allowed to circulate without restriction. Thus, the inhabitants of the region could trade more easily with France than with any other country. Also, the French were privileged to establish French schools for the miners' children, and in this way they could exert considerable influence on the minds of the people.

As far as the government of the Saar was concerned, it was placed in the hands of a commission of five men appointed by the League. At present the head of this group is British, and there is in addition a representative of France, Finland, Jugoslavia and the Saar itself. This commission has functioned well enough since the war and conditions in the Saar have been reasonably satisfactory until recently.

Trouble Appears

Signs of trouble first began to appear after Hitler came into power in Germany and were brought to full attention at the last session of the League of Nations Council which opened on January 15. Chancellor Hitler has made it no secret that he is anxious to regain the Saar as soon as possible. He does not even wish to wait until next year's election and has proposed that the French reach an agreement with Germany which would turn the Saar over to that country immediately. The French, naturally, have refused, saying that the matter rested with the League of Nations and that the procedure decided upon after the war would have to be carried out.

When the Council of the League met, its most important task was to set in motion preparations for the holding of the plebiscite. And it was then that the gravity of the situation came to light. Petitions were filed with the League by Saar residents requesting that action be taken to prevent the Nazis from intimidating the people of the district. It was charged that Germany was exerting such "intolerable pressure upon the population . . . that there can no longer be any question of freedom of opinion." The Nazis, it was said, are threatening to treat those who vote against union with Germany, as they have treated Jews, Communists and other enemies of the Hitler government in Germany. The words "after 1935" have become a source of terror to many Saar residents. Responsible observers in Europe say that there is no doubt that the Saar



© Ewing Galloway

A CANAL IN SAARBRÜCKEN, CHIEF CITY OF THE SAAR

will vote for annexation with Germany next year in view of existing conditions.

But since, as we have said, the great majority of the people in the Saar are German, was it not a foregone conclusion that the plebiscite would favor Germany? Why this anxiety on the part of the Hitlerites? The answer is that before Hitler became the head of Germany the Saar residents were certainly favorable to union with that country. All the French propaganda and the French-conducted schools have not been enough to bring about a change in this attitude. It may be said that the Saar was anxious to return to Germany as soon as possible.

Catholic Influence

However, many things have happened in Germany since the coming of Hitler, things which have caused numerous Saar residents to alter their views. It is important to bear in mind that of the 770,000 inhabitants in the district, about 560,000 are Roman Catholic and over 4,000 are Jewish. Hitler has not been particularly oppressive against the Catholics in Germany, but they are uneasy over what he may do. Recently there has been much talk in Germany of uniting all religions into one German religion. This talk has largely died down now owing to the active opposition of several thousand Protestant bishops. But the Catholics were alarmed at the menace to their religion, and many of them are still uneasy. They know that the Hitler government is not too well disposed toward them, because they were among the most reluctant to come under his sway.

Catholics in the Saar, of course, know all this. And while it cannot be said that accounts of what has been happening in Germany have led all of them to change

their minds, probably enough Catholics have been turned against Hitler to make the outcome doubtful. In addition there are a number of Socialists and other radicals in the Saar. Together with the Jews they are certain to vote against annexation of Germany. On the whole, under normal conditions, it is doubtful that the vote would favor Germany. The more likely result would be for a continuation of the present arrangement.

If the Saar were to vote against annexation to Germany, it would be a serious setback for Hitler. He would lose the opportunity of regaining important mineral resources, and a severe blow would be dealt to his prestige. The Hitlerites, therefore, are doing everything they can to assure a result favorable to them. They accuse the French and the League governing commission of discriminating against them. They say that the majority of people in the Saar want to be reunited with Germany, and that other powers are doing everything they can to keep this from happening. In justice to themselves the Nazis insist that they must give battle to those forces which seek to deprive them of what is rightfully theirs.

It is obvious that when the Council of the League of Nations met last month to consider preparations for the plebiscite, it was faced with an exceedingly difficult task. On the one side there was a strong sentiment for the placing of an international police force in the Saar area during the time of the plebiscite. Coupled with this was a desire that Germany be restrained from intimidating the Saar inhabitants. On the other side was Germany's refusal to cooperate with the League and her already expressed wish that the Saar be turned over to her before 1935. And on a third side was a desire on the part

of many Saar residents that the plebiscite be postponed for several years, or at least until a fair vote could be assured.

League Action

It was up to the League to compromise these conflicting views. The French were anxious that strong action be taken, but the British and Italians were unwilling to offend Germany. Accordingly the Council did the usual thing under such conditions. It drew up resolutions turning the whole matter of studying preparations for the Saar plebiscite over to a special commission. This commission, consisting of representatives of Italy, Spain and Argentina, will report in May. Meanwhile the League's resolution affirms its intention to conduct the plebiscite in such a way as to assure freedom, secrecy and honesty.

This is the normal procedure for the League when a very touchy question comes up before it. The danger is that by delaying the time when the issues must be faced, the League is making it possible for a still more aggravated situation to develop. Ill feeling grows between Germany and France, and there is always danger of some incident taking place which will provoke serious difficulties.

OGDEN L. MILLS SPEAKS

Who will be the Republican candidate for president in 1936? Many predict that Ogden L. Mills, secretary of the Treasury in the Hoover régime, will win the Republican nomination. Last week he delivered an address at Topeka, Kansas, in which he attacked many features of President Roosevelt's recovery program. He said that the government was exhausting its credit by the expenditures of billions of dollars. He broke away from the traditional Republican support of high tariffs and urged that the barriers to international trade be torn down, at least in part. He declared that a planned economy such as the Roosevelt administration is attempting to devise, takes away individual liberties. He called for a return to the old freedom—when individuals could conduct their businesses as they saw fit. In addition, he expressed his opinion that a system or systems of unemployment insurance should be established as a means of providing for those without work.

Herbert H. Lehman, successor to Mr. Roosevelt as governor of New York, has shown during his short time in office that he is a liberal. The latest evidence of his liberal tendencies came to the fore when he announced that he favored legislation to create a system of unemployment reserves in his state. Unlike most other proposals of this nature, which compel both employers and employees to contribute to an unemployment insurance fund, Mr. Lehman's plan is to have only employers contribute to the fund. He believes that the employers are much more capable of bearing the burden than the workers are. Mr. Lehman would also like to have each individual plant set up a fund instead of having a centralized state pool.

"We are inhabitants of the Saar Territory who are determined to vote at the plebiscite according to our convictions . . . The lives of thousands of persons are at stake. We have a right to demand that we shall be protected against threats and persecution by National Socialists.—Petition to League of Nations from a group of Saar residents.

CIVIL WORKS -- AN ISSUE

(Concluded from page 1, column 4)

one constituting outright graft or dishonesty since it involves the misuse of public funds and the other less serious, although highly objectionable, involving political favoritism. Officials of the CWA in Washington have revealed that in many sections of the country, the essential features of the program—the giving of jobs to all needy unemployed regardless of affiliation with political groups—are being defeated by politicians. Those in charge of administering the local CWA jobs have made the whole thing a part of the spoils system, so characteristic of American political history. It is charged that an unemployed man must have political "pull" in order to obtain the most menial of CWA jobs. Such a practice is regarded as particularly abhorrent to the administration. At the very beginning of the CWA, Mr. Hopkins warned the local organizations that no funds would be forthcoming if favoritism of this sort were prevalent. Regardless of that warning, however, abuses have been found.

Forms of Graft

The second charge leveled against the CWA is more shocking and contemptible. It is a charge of graft in a number of forms. It is asserted, for example, that in many places, business men have been chiseling on the government. They have bribed CWA officials into certifying that materials have been received for the various projects undertaken where, as a matter of fact, no materials have been furnished. Thus they have been paid by the government for goods which they did not furnish, their only expense being the money spent on bribes. In other cases, CWA and PWA officers in various parts of the country are said to have demanded a "cut" or tribute from those to whom jobs have been given. Naturally, a man who has been without work for months or even years does not want to lose his newly found job, and consequently turns over the demanded "cut" to the superior officer. In the case of the arrests made in Washington, CWA workers were charged with accepting bribes from those working under them in return for giving them a high rating as to efficiency.

Hopkins' Attitude

Serious as this state of affairs is, it should not be thought that the carrying out of this part of the government's recovery program is wrapped in wholesale graft and corruption. As Mr. Hopkins has quite properly pointed out, the extent of malfeasance is not extremely great, considering the magnitude of the program undertaken by the PWA and the CWA. Those

who have been guilty constitute a distinct minority of the 4,000,000 employed by the CWA alone. In commenting upon the situation that has arisen, Mr. Hopkins stated recently:

It is unfair to the loyal and devoted workers in the Civil Works Administration to assume that the Civil Works Administration is by any stretch of the imagination permeated with graft or corruption. No evidence has been brought to my attention that would warrant such statement or belief.

However, I am unwilling either complacently to condone or otherwise to tolerate any graft or collusion in the Civil Works Administration. I will continue to follow up and carefully investigate every charge of unfaithful service. The least the public and unemployed can expect of their public servants is an unflinching regard for the public trust which has been imposed in them.

While these revelations have quite naturally provoked a flurry of excitement and indignation throughout the country, they constitute by no means the sole problem confronting the CWA. As the various agencies of the government go on investigating the different charges that have been made, those in whose hands the determination of governmental policy lies are confronted with the broader issue of what is to be the future course of the CWA. It will be remembered that when President Roosevelt and his advisers hit upon the idea of putting 4,000,000 men to work within a few weeks at civil works projects, it was definitely understood that the plan was to be temporary in nature. The funds available for wages and for the purchase of materials were sufficient to continue the program only until the fifteenth of February.

Controversy Over Future

Now the question has arisen as to what action shall be taken after February 15. Shall the CWA be liquidated and the men now working on those jobs thrown back on charity? Or, shall additional funds be provided so that the program may be continued for a definite, or even indefinite, period? Some indication of the president's attitude on these questions has already been given. Mr. Roosevelt, it appears, is opposed to the idea of carrying on this program much longer. He believes that it should be gradually tapered off until it is finally stopped entirely. He appears to favor a continuation of the civil works program until about the first of May. In order to continue until that date, Congress is expected to appropriate an additional \$350,000,000.

The president and those of his advisers who have taken this view incline to the belief that by the first of May the public works program of the government will be

in full swing so that it will be in a position to absorb part of the 4,000,000 now working on civil works projects. Mr. Hopkins estimates that between 1,000,000 and 2,000,000 of the CWA workers will be able to find PWA jobs within the next few months. He estimates that private industry will be in a position to employ an additional 1,000,000 of the CWA workers by the time the civil works program is liquidated.

Others are inclined to question these figures. They are urging the president to continue the program for a longer period,

people from the very start, for it succeeded in doing what seemed impossible at the outset. Almost overnight, it had shifted more than 4,000,000 men from the streets and relief rolls to the weekly payrolls of the government.

Benefits of CWA

Nor has its popularity been confined to those who have benefited directly by its operation in the form of wages and salaries. The business men of the country have, in the main, rallied to its support. They have had an additional 4,000,000



© Underwood & Underwood

CIVIL WORKS ADMINISTRATOR HOPKINS TALKS IT OVER WITH THE PRESS

at least until it is certain that a good part of the CWA workers will not be thrown out of jobs. The position of this group has been set forth by Senator Robert M. La Follette, who, upon the announcement that the program would be continued only until May 1, declared:

Nobody knows what is going to be needed after May 1, but I am betting that neither the PWA nor the seasonal pick-up in business will be enough to come anywhere near taking care of the men now on Civil Works projects. They've been telling us every six months since the depression started that it was ended. I always took the opposite position, and I'm getting more and more confidence in my own judgment, for, to date, I've been right about this.

I think I'm right now. What we need is more public works, more civil works. This is no time to taper off. When I fought for a big public-works program I said it was needed to prime the pumps of recovery, that it would prime the pump and increase the velocity of money in circulation, increase trade. And I was right, as developments under the PWA and the CWA have shown.

But pressure is being brought to bear upon the president not only by members of Congress, like Senator La Follette, but from many other sources. The White House is receiving thousands of letters protesting against the proposed discontinuance of the CWA. The headquarters of the CWA in Washington are receiving an even greater number. Members of Congress are flooded with letters from the folks back home urging them to exert whatever influence they have for a continuation of the program. It is hardly an exaggeration to say that the civil works program has proved one of the most popular features of the whole recovery movement. It captured the imagination of the

customers as a result of it, and fear that its abandonment might seriously hurt their trade. It is quite generally conceded that the improvement in general business conditions that has come during the last few weeks has been due in no small way to the hundreds of millions of dollars that have been pumped out in the form of CWA wages. This increased purchasing power has enabled people to buy all sorts of products which they could not formerly buy because of unemployment.

To withdraw this stimulation now, it is felt, would only undo the work that has been accomplished during the last few months. The industries which have begun to get back to normal in so far as production is concerned, such as the automotive industry, would receive a terrific setback, and there might be a general relapse. At least, this is the argument that is being aired at the present time in support of a continuation of the CWA.

Despite the benefits that have accrued to millions of people as a result of the civil works program, it is generally realized that there are certain disadvantages and dangers involved in continuing the program for a very long period. In the first place, once the government embarks upon a policy of giving direct financial benefits to large groups of the population, it becomes ever more difficult to discontinue that program. It will be remembered how very difficult it was to pare down the compensation given to war veterans. Those who obtain benefits clamor for the continuation of these benefits. Thus, the longer the federal government keeps the 4,000,000 men on its payrolls, the harder it is going to be to cut them loose.

It is too early at this time to predict the outcome of this important issue. It seems hardly conceivable that the administration which was swept into office on the promise to help the lot of the common run of people will permit the liquidation of this part of its program if it becomes apparent, as many contend, that the men employed by the CWA will not be able to find employment elsewhere after May 1. The states and cities are in no better position adequately to care for their unemployed than they were a year ago and the federal government has recognized its responsibility in seeing that no one starves in this country.



© Acme

A FEW OF THE 4,000,000 WHO HAVE BEEN GIVEN CWA JOBS



The National Capital Week by Week

A Record of the Government in Action



The President

President Roosevelt continues to hope for a comparatively short session of Congress. He would like to see the legislators complete their work and go home by May 1 at least, and he is sending his recommendations for new laws to them from time to time, with that plan in mind. For one thing, he and his advisers think that private business will be more confident and ready to start new enterprises when it is certain that Congress will not do anything to make such ventures unsafe.

The president has signed the gold bill and has begun steps to assure devaluation of the dollar to a sixty per cent basis. As a controversial question, the monetary program is equaled at the present time only by the CWA and PWA activities. (See the article on page 1, column 4.) Mr. Roosevelt sent a message to the House a few days ago asking for the appropriation of \$350,000,000 more to operate the Civil Works Administration until May.

Several reports of the president's special committees were sent from the White House to Capitol Hill. One was that concerning regulation of stock and bond exchanges. (Its provisions are discussed in an editorial on page 4.) Another report, prepared by the Federal Power Commission and the New York State Power Authority, stated the necessity of approving the St. Lawrence Waterway treaty in order to provide a great public power project for the northeastern states. At the same time the president informed Senator Black of Alabama that he wanted the Senate committee investigating air mail contracts to press its inquiry to the limit, and declared that he may exert his power to cancel existing contracts.

Executive Departments

Evidence that the public has confidence in the credit of the government, in spite of the prospect of an unbalanced budget, was supplied during the week. Secretary of the Treasury Morgenthau offered a billion dollars' worth of short-term notes for sale in order to raise that sum for present needs. The issue was open to subscription for only one day; the next morning Mr. Morgenthau announced that it had been oversubscribed more than four times. Thus there is still plenty of money available for government borrowing; the Treasury could have had four billion dollars, if it had needed that much.

Attorney General Cummings has appointed Col. Carl L. Ristine as special assistant in the Department of Justice in charge of air mail contract awards. This step, added to the president's encouragement of the Senate investigating committee, makes it clear that the administration expects to clean house thoroughly in regard to mail contracts. Col. Ristine will prepare any criminal prosecutions which may develop from the present inquiry.

Here is one small sample of the scientific work being done constantly by regular departments of our government. In a



IT'S THE FIRST TIME WE'D HEARD THAT KIND OF HARMONY IN YEARS
—KNOX in EVENING TENNESSEAN

busy laboratory of the Bureau of Standards nine women work constantly testing thermometers. Fever thermometers, bath thermometers, cooking thermometers—all kinds are examined and certified by this group of workers. Manufacturers from all over the country send samples of their products to the bureau. The sample thermometers are placed in a "heat machine" to see that their readings correspond with those of a thermometer that is known to be correct. Last year more than 100,000 such examinations were made, for which the factories paid ten cents each. As a result, you can be reasonably sure that the thermometer in your medicine cabinet at home gives accurate readings.

Congress

After the most eloquent and interesting debate of the present session of Congress, the Senate passed the president's monetary bill, which gives him authority to devalue

the dollar and allows the secretary of the Treasury to handle a two-billion-dollar stabilization fund. The final vote was 66 to 23. For several days the bill was argued pro and con in the Senate, and all previous speeches of the regular session seemed tame by comparison. For the finest minds in Congress concerned themselves with this highly important measure, and the most gifted orators on the Senate floor unleashed their vocabularies to deal with it.

Crowded galleries listened eagerly. All the spectators were anxious to hear what fiery little Carter Glass would say. He was opposed to the bill, and criticized it sharply in banking committee hearings. But Senator Glass did not strike fire in his floor speeches against the bill. He made a strong argument, to be sure, defending his legislative pet, the federal reserve banking system which he helped to found in 1913. He denounced the transfer of the

federal reserve gold to the Treasury, but in his words and the inflections of his voice there was a note of hopelessness; he knew the bill would pass anyway. The crusty little Virginian was the only Democrat to vote "No."

Austin of Vermont, Reed of Pennsylvania, Fess of Ohio, and Steiwer of Oregon were among the Republicans who made spectacular attacks on the gold plan. Against them, always on the alert for an opportunity to score a brilliant point of logic, were the president's Democratic supporters—Senator Joe Robinson of Arkansas, Connally of Texas, Barkley of Kentucky, Fletcher of Florida, Byrnes of South Carolina. An amendment which sought to establish a board of five men to use the stabilization fund was defeated, 54 to 36, leaving all responsibility to Mr. Morgenthau and the president.

But the most intense fight of all came after a long, careful, scholarly address by Senator Burton K. Wheeler, urging the adoption of his silver amendment. The amendment proposed that the Treasury should buy several million ounces of silver each month until a total of 750,000,000 ounces would be secured; also that silver certificates should be issued against the silver bullion thus placed in the Treasury. This was substantially the same plea for silver as that made for so many years by William Jennings Bryan, but Senator Wheeler pointed out that Hamilton and Jefferson, rather than Bryan, were its originators. The vote on this amendment was a great surprise; it was defeated, 45 to 43, and a change of two votes would have assured its passage. Hardly anyone expected the Wheeler proposition to attract so many favorable votes. Certainly the sentiment for silver is strong in the Senate, and Mr. Wheeler may be expected to try again at some opportune time.

The House of Representatives passed the naval appropriations bill and the bill providing funds for the Treasury and Post Office Departments. Other appropriations bills are being passed upon, and the Senate will consider them shortly. Discussion of the waterway treaty has been resumed; it keeps the Senate busy when there is little else to do.

Recovery Program

General Johnson and Senator Gerald P. Nye of North Dakota have buried the hatchet, at least for the time being. The clean-cut serious young senator, who cleared the distance from the obscurity of a small town weekly newspaper office to the limelight of the United States Senate in one jump a few years ago, had charged that the NRA was extremely unfair to small business. He and General Johnson have discussed the matter, and a special complaint board for the benefit of small business men will be created as part of the NRA. Mr. Nye is pleased by that, but he is a man not easily satisfied. We may hear more from him if the new board does not function properly.

Something to Think About

1. If universities generally were to give out scholarships and fellowships to students of high scholarship and promise, would it encourage high school students to do better work?
2. If you lived in the Saar and had the opportunity of voting as to whether the region should go to France or Germany, which way would you vote?
3. What are the provisions of the pact signed recently between Poland and Germany? Why do you think Poland signed it? Why did the German government sign it?
4. Describe the nature of the dishonest practices in the CWA and the PWA. Who made these practices public? What is unusual about the way in which the public came to know of them?
5. Why is there likely to be graft and dishonesty in the case of great emergency activities such as those engaged in during a war and during the present crisis?
6. What is the attitude of the Roosevelt administration toward the CWA? Do you think that the CWA work should be stopped next spring? Under what conditions do you think it might be desirable to stop this work?
7. What work of a beneficial nature is being done by stock exchanges? What are some of the evils or abuses connected with stock market operations? If one buys corporation stock with the intention of selling it as soon as the market rises, is he gambling? How do such forms of speculation affect industry?
8. From what you can observe in your community, do you agree with Senator Nye

that the NRA has been injurious to many small businesses?

9. What did Senator Wheeler of Montana hope to accomplish by his proposed amendment to the president's gold bill?

10. What bearing may the condition of the peasant in Yugoslavia have on the political future of the country?

REFERENCES: (a) Revision of the Versailles Treaty. Foreign Policy Association Information Service, Volume V, Number 8, June 26, 1929. (b) Our New System of Bureaucracy. *Forum*, February, 1934, pp. 90-95. (c) Harry Hopkins Employs 4,000,000. *Review of Reviews*, January, 1934, pp. 14-17. (d) A Plan for Regulating the Stock Exchange. *Today*, January 27, 1934, pp. 3-4. (e) A New Internationalism. *Harper's*, February, 1934, pp. 357-366. (f) Peace or War in 1934? *World Tomorrow*, February 1, 1934, pp. 63-64.

PRONUNCIATIONS: Saar (zar—a as in art), Yugoslavia (yoo'go-slah'vee-a), La Follette (la fol'et—a as in art, o as in hot, e as in met), Ickes (ik'us—i as in hit, u as in hut), Michel Corday (mee-shel' kor-de'—e as in met), Croat (kro'at—o as in go, a as in at), Croatia (kro-ay'shi-a—i as in hit), Ludwig Müller (lood'tvik meul'er—eu pronounced simultaneously), Stavisky (stah-vees'kee), Camille Chautemps (ka-mee'ye sho-taw—the mps are silent but indicated by a slightly nasal sound at the end of the word), Daladier (da-lah-de-ay).